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# MULTIMEDIA UNIVERSITY

## FINAL EXAMINATION

TRIMESTER 1, 2019 / 2020

### PBU0054 – FUNDAMENTALS OF BUSINESS MANAGEMENT

(All Sections)

23 OCTOBER 2019  
9.00 AM – 11.00 AM  
(2 Hours)

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#### INSTRUCTIONS TO STUDENT

1. This question paper consists of 8 pages with 2 sections.
2. Attempt **ALL** questions in Section A and Section B. The distribution of the marks for each question is given.
3. Please write all your answers for Section A on the OMR form provided and all answers for Section B in the Answer Booklet provided.

**SECTION A: Multiple Choice Questions (40 Marks)**

1. \_\_\_\_\_ refers to the management process which involves determining what the organisation needs to do and how best to get it done.
  - A. Planning
  - B. Processing
  - C. Organising
  - D. Controlling
  
2. \_\_\_\_\_ identify performance targets used by organisations to measure success or failure at every level.
  - A. Goals
  - B. Tactics
  - C. Strategies
  - D. Mission statements
  
3. All of the following does not describe functional strategy EXCEPT \_\_\_\_\_.
  - A. it assists first line managers in making day-to-day decisions about motivating employees
  - B. managers in specific areas decide how best to achieve corporate goals through productivity
  - C. at the business unit or product line level it focuses on improving a firm's competitive position
  - D. it determines the firm's overall attitude toward growth and the way it will manage its business product lines
  
4. SWOT analysis takes place when an organisation \_\_\_\_\_ in the strategy formulation process.
  - A. sets strategic goals
  - B. develops tactical and operations plan
  - C. matches the organisation and its environment
  - D. analyses the organisation and its environment
  
5. \_\_\_\_\_ is the term used to specify jobs to be done within an organisation and the ways in which those jobs relate to one another.
  - A. Delegation
  - B. Job description
  - C. Job specialisation
  - D. Organisational structure
  
6. Based on the delegation process, assigning responsibility refers to the \_\_\_\_\_.
  - A. duty to perform an assigned task
  - B. number of people supervised by one manager
  - C. power to make decisions necessary to complete a task
  - D. obligation employees have for the successful completion of the task

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7. The Coca Cola Company uses \_\_\_\_\_ structure as it relies on product departmentalisation.

- matrix
- divisional
- functional
- international

8. A haircut in a saloon is an example of \_\_\_\_\_ system.

- utility
- customer
- low-contact
- high-contact

9. Which of the following production system refers to all the needed materials and parts arrive at the precise moment they are required for each production stage?

- Quality control system
- Process control system
- Just-in-time production
- Custom-products production

10. Dell Computers allows its customers to fully customised computer online and receive it in a couple of weeks. This refers to \_\_\_\_\_ goods production process.

- low-contact
- high-contact
- make-to-order
- make-to-stock

11. \_\_\_\_\_ behaviour is the term used for behaviour that is related to doing a certain job expected by the organisation.

- Potential
- Disruptive
- Performance
- Interpersonal

12. What is the correct term for empathy?

- The ability to get along with others.
- The ability to understand how others feel.
- The ability to establish positive relationships.
- The ability to balance fear, anxiety and anger.

13. \_\_\_\_\_ gives employees more freedom and allows them to plan their work schedules.

- Flextime
- Job sharing
- Job rotation
- Telecommuting

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14. An employee contributes his or her \_\_\_\_\_ as part of the psychological contract, along with effort, loyalty, ability, time and competency.

- A. pay
- B. status
- C. skills
- D. benefits

15. \_\_\_\_\_ reflects an individual's identification with an organisation and its mission.

- A. Intention
- B. Attitude
- C. Psychological contracts
- D. Organisational commitment

16. The duties of a job, its working conditions and the tools, materials and equipment used to perform it outlines which of the following?

- A. Job analysis
- B. Job description
- C. Job specification
- D. Job advertisement

17. John, a sales executive gets a special payment of RM2000 above his salary when he reached the sales target. This statement refers to which individual incentive?

- A. Bonus
- B. Profit sharing
- C. Merit salary system
- D. Pay for performance

18. An employee who is hired on something other than a permanent or full-time basis is called a \_\_\_\_\_.

- A. knowledge expert
- B. managing director
- C. contingent worker
- D. technical employee

19. If negotiations fail, a company choose to use \_\_\_\_\_ to prevent union employees from coming to work.

- A. bailout
- B. lockout
- C. strikebreaker
- D. economic strike

20. Accountants, lawyers and lecturer are categorised as \_\_\_\_\_ workers.

- A. technical
- B. knowledge
- C. contingent
- D. international

**Continued...**

21. \_\_\_\_\_ utility is implemented by companies who allow its customers to design the product features that they want.

- A. Form
- B. Time
- C. Place
- D. Possession

22. A smoking ban at open-air eateries in Malaysia relates to the \_\_\_\_\_ environment.

- A. competitive
- B. demographic
- C. socio-cultural
- D. political-legal

23. Organisations move products to customers by using \_\_\_\_\_.

- A. promotion
- B. marketing mix
- C. place (or distribution)
- D. none of the above

24. Consumers' characteristics such as lifestyles, opinions, interests and attitudes are considered as \_\_\_\_\_ variables.

- A. cultural
- B. geographic
- C. demographic
- D. psychographic

25. \_\_\_\_\_ is described as the study of the decision process by which customers come to purchase and consume products.

- A. Marketing
- B. Segmentation
- C. Consumer behaviour
- D. Resource management

26. Television set and car insurance are consumer products and services that are expensive and needs more evaluation before purchase is made. These products are categorised as \_\_\_\_\_.

- A. capital items
- B. specialty products
- C. shopping products
- D. production items

27. Shine Ltd wants to develop a new product for its company. It has a product idea and wants to proceed to the next step. What is the next step that the company must take?

- A. Screening
- B. Test marketing
- C. Concept testing
- D. Business analysis

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28. Odd-even pricing states that customer prefer prices not stated in even dollar amounts. This pricing strategy falls under the category of \_\_\_\_\_.  
A. price fixing  
B. price lining  
C. price skimming  
D. psychological pricing

29. Which of the following is a form of non-store retailing in which customers place orders for catalog merchandise received through the mail?  
A. Online  
B. Promotion  
C. Mail order  
D. Department stores

30. Which of the following reflects the objectives of promotion?  
A. Controlling sales volume.  
B. Adding value to a product.  
C. Positioning and communicating information.  
D. All of the above.

31. Salaried accountants that are hired by a business to carry out its day-to-day financial activities are called \_\_\_\_\_ accountants.  
A. private  
B. forensic  
C. certified public  
D. certified management

32. Accounting equation is used by accountants to balance data for the firm's financial transactions at various points in the year. Which of the following shows the accounting equation?  
A. Owners' Equity = Assets + Liability  
B. Assets = Owners' Equity + Liability  
C. Liability = Assets + Owners' Equity  
D. Assets = Liability x Owners' Equity

33. \_\_\_\_\_ is the difference between revenues and the cost of revenues.  
A. Cash flow  
B. Net income  
C. Gross profit  
D. Interest expense

34. Which of the following documents explain the estimated receipts and expenditures for a future period of time?  
A. Budget  
B. Cash book  
C. Balance sheet  
D. Income statement

Continued...

35. \_\_\_\_\_ represents a pool of managed funds that provide retirement income for members.

- A. Pension funds
- B. Finance company
- C. Insurance company
- D. Securities investment dealer

36. Assume that a Malaysian firm wants to purchase product from a supplier in China. What would the firm use to guarantee a specified amount of payment at a future date to China?

- A. Letter of credit
- B. Pension services
- C. Banker's acceptance
- D. Currency exchange guarantee

37. The role of International Monetary Fund is to \_\_\_\_\_.

- A. determine the value of currency
- B. limit the amount of loans available to member nations
- C. provide temporary short term loan to member countries
- D. provide rules and procedures for member countries who trade with each other

38. Which of the following can be used to calculate how much interest you must get to double an investment?

- A. Dividends
- B. Book value
- C. Market value
- D. The Rule of 72

39. Nancy owns a business and would like to manage her risk. She decided to invest a relative amount in several investment alternative. Which of the following explains Nancy's way of managing risk?

- A. Portfolio
- B. Spreading
- C. Asset allocation
- D. All of the above

40. What type of loan does not require collateral?

- A. Secured loan
- B. Corporate bond
- C. Unsecured loan
- D. Angel investor loan

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**SECTION B: Structured Questions (60 Marks)****QUESTION 1**

(a) In any large company, managers work in a variety of functional areas. List the **FIVE (5)** areas of management. (5 marks)

(b) Organisational structure is the specification of jobs to be done within an organisation and the ways in which they relate to one another. How is an organisation's structure determined? (5 marks)

(c) Peter who is a manager in Shiny Ltd provide guidance for his company's operation plan. What are the **FIVE (5)** categories of operation plan can he provide for his company? (5 marks)

(Total: 15 marks)

**QUESTION 2**

(a) Personality is defined as the relatively stable set of psychological attributes that is different from one person to another. Explain the "Big Five" personality traits that are relevant to an organisation. (10 marks)

(b) What is collective bargaining? (1 mark)

(c) Contract issues may rise in any organisation. State **FOUR (4)** contract issues that an organisation might encounter. (4 marks)

(Total: 15 marks)

**QUESTION 3**

(a) The marketing strategies of successful firms focus on increasing value for customers. What can a company do to deliver value to its customer? (4 marks)

(b) Briefly describe **FOUR (4)** basic components of marketing mix. (8 marks)

(c) What is product mix? Give **TWO (2)** examples of product mix. (3 marks)

(Total: 15 marks)

**QUESTION 4**

(a) Accounting is a comprehensive system for collecting, analysing and communicating financial information. Who are the users of accounting information? (5 marks)

**Continued...**

(b) The main function of financial institution is to ease the flow of money from users with surpluses to those with deficits. Briefly discuss **FOUR (4)** types of financial institutions that exist.

(8 marks)

(c) What are the **TWO (2)** types of securities market?

(2 marks)

(Total: 15 marks)

**End of Paper**